former, the reasons therefor; and

(d) if the latter, whether it would not jeopardise our cause to fight against terrorism in the UN Security Council?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI VINOD KHANNA): (a) to (c) India is vitally interested in the peace and prosperity of the Gulf region and has therefore consistently called for the resolution of the crisis relating to Iraq through political and diplomatic means under the auspices of the UN. India recognises the validity of the unanimous decision of the United Nations Security Council in its Resolution 1441 which provides for the disarmament of Iraq. Iraq has to faithfully comply with the provisions of relevant UN Security Council Resolutions.The work of the inspectors is continuing in Iraq, and UNMOVIC and IAEA have submitted two reports to the Security Council on 27 January and 14 February. The Security Council should decide on what further action needs to be taken. All concerned should fully cooperate in finding a peaceful resolution to the issue.

(d) India remains firm on the imperative of greater international cooperation to combat global terrorism, particularly cross-border terrorism, which transcends the current issues relating to Iraq.

Apprehension of war against Iraq

279. SHRI RAJKUMAR DHOOT: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Government are apprehensive that there is going to be a war between USA and its allies and Iraq;

(b) Government's stand on the issue of America's war threats to Iraq and whether the same has been communicated to wSA and UK;

(c) what would be the economic impact of war on India; and

(d) the steps taken to overcome the possible adverse economic impacts?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI VINOD KHANNA): (a) and (b) India is vitally interested in the peace and prosperity of the Gulf region and has therefore consistently called for the resolution of the crisis relating to Iraq through political and

diplomatic means under the auspices of the UN. India recognised the validity of the unanimous decision of the United Nations Security Council in its Resolution 1441 which provides for the disarmament of Iraq. Iraq has to faithfully comply with the provisions of relevant UN Security Resolutions. The work of the inspectors is continuing in Iraq, and UNMOVIC and IAEA have submitted two reports to the Security Council on 27 January and 14 February. The Security Council should decide on what further action needs to be taken. All concerned sjiould fully cooperate in finding a peaceful resolution to the issue. India's position on the issue has been made known to the JSA and UK.

(c) and (d) Over 60% of India's crude oil imports are sourced from the Gulf. India has not been lifting any crude oil directly from Iraq since December 2000. Iraq is also currently producing only about 3% Of global oil production. It is expected that any disruption of Iraqi oil production, can be made up by other producers. While oil prices may rise in the short term, India has adequate foreign exchange reserves to meet a higher oil import bill.

India's exports to Iraq in 2001-2002 were valued at $206 million. Exports to Iraq in the pipeline would be disrupted in the event of war, but can be resumed once the war is over.

Functioning of ESI Scheme

280. SHRI K. RAMA MOHANA RAO: Will the Minister of LABOUR be pleased to state:

(a) whether it is a fact that a Review Committee constituted to study functioning of the ESI Scheme has recommended for increasing the ceiling from the existing Rs. 6,500 to Rs. 9,000 for availing ESI Scheme;

(b) if so, the details thereof;

* (c) what is the criteria adopted by Government so as to enable the employees to avail ESI Scheme; and

(d) the number of employees covered under this scheme, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF LABOUR (SHRI VIJAY GOEL): (a) and (b) Yes, Sir.The Government had constituted a Committee under the Chairmanship of Shri M.C. Verma to review the